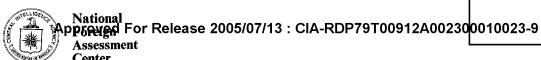
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West German Chancellor Schmidt, Prime Ministers Trudeau of Canada, Nordli of Norway, and Fraser of Australia, as well as President Perez of Venezuela and Nigerian Head of State Obasanjo have accepted Jamaican Prime Minister Manley's invitation to meet 28-29 December in Kingston to discuss development problems. This article addresses topics likely to be raised at the meeting, attitudes of the participating leaders, and the summit's probable impact on the North-South dialogue.

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THE POLITICAL ECONOMY OF INDUSTRIAL INNOVATION

This paper offers some preliminary hypotheses on West European and Japanese industrial innovation as a guide to further research and analysis. Two main factors make the subject an important one for intelligence analysis. First, it may provide a useful and feasible means of analyzing OECD growth trends. The future of OECD growth is obviously a crucial question with wide-ranging international and domestic political implications, but it has generally been thought too broad to be susceptible to careful, precise analysis. The study of industrial innovation may provide a solution to this dilemma; specific enough to allow fairly detailed analysis, it is also central enough to provide considerable insight into the likely trend of OECD economic growth.

The subject of industrial innovation also directly addresses the issues of the place of the United States in the OECD and of the OECD in the world. US technological advances have spurred not only much of the US' economic growth, but also that of the other Throughout most of the postwar industrial nations. era the major high-growth OECD countries--Japan, West Germany, and France--have chosen to a considerable extent to apply US innovations rather than develop their own; in that way they could reap many of the benefits of technological advance without incurring the concomitant research and development costs. Those innovations that the non-US OECD states--most notably West Germany and Japan--did implement tended to be relatively low-cost refinements of basic US technology.

Now that the rate of American industrial innovation appears to be slowing (or at least lagging behind needs), the West Europeans and Japanese are faced with the need to strengthen their own innovation capabilities. But the short-term economic and political costs of doing so on a major scale could be great. If the non-US OECD governments and firms are willing to pay

those costs, US technological—and therefore potentially economic, political, and military—dominance of the OECD will necessarily decrease. If they are not so willing, the West as a whole will risk technological and economic stagnation and decline. Each of those outcomes could be avoided if the United States increased its efforts to innovate.

* * *

Industrial Innovation and Growth

In the long run innovation is a major source of noninflationary economic growth. Process innovation—the development of new, less expensive ways of manufacturing a given good—increases the productivity of one or another of the factors of production—land, labor, or capital. In many cases process innovation stems from the development of new products—for example, in machine tools or transportation. Product innovation contributes to economic growth not only through its impact on productivity, but also through the stimulation of new internal and external demand.

In the short run, however, the pursuit of innovation might actually retard economic growth, since it often requires high-cost research and development that does not have an immediate payoff. Indeed, some industrial research and development efforts will never pay off commercially. Others will eventually yield handsome profits. Investment for industrial innovation is therefore more likely to the degree a country's public and private sectors are willing to take economic risks. The more a country is characterized by a satisfactory economic growth rate, high government and private revenues, strong commitment to technological progress, and/or relative immunity of its government and firms to public pressures for short-term cost reduction the more likely it will be to accept these risks.

There is currently considerable concern about a reported slackening in the rate of US and OECD industrial innovation. No satisfactory measure exists to prove the case. But there is general agreement that

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innovation in the West is not keeping pace with the increased need generated by new factors--such as more expensive and potentially scarce energy and strong environmental concerns--that require major changes in existing manufacturing technologies.

While the proportion of GNP devoted to research and development has fallen in the United States and risen in Japan and West Germany, in 1976 it was still highest in the United States (see table I). The meaning of this indicator for innovation and long-run growth, however, is by no means clear. For example, the United Kingdom devotes a relatively high percentage of its GNP to research and development but has had very unsatisfactory postwar growth and productivity rates.

Table I

Research and Development Expenditures
(Percentage of Gross National Product)

	1962	1967	1972	1976
Canada	0.95	1.33	1.17	NA
France	1.43	2.16	1.83	NA
West Germany	1.25	1.97	2.31	2.13
Japan	1.48	1.55	1.89	NA
United Kingdom	NA	2.69	2.39	NA
United States	2.73	2.91	2.43	2.25

The contribution of research and development to innovation and growth depends on a variety of factors, such as marketing, production, and management skills, the general state of plant and equipment, or channeling research funds to projects with a high or low potential commercial payoff. Here the United States and the United Kingdom may be at a relative disadvantage on at least

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two important fronts--leaving aside the all-important, but difficult-to-assess, question of comparative skills. First, general investment rates have been chronically lower in the United States and the United Kingdom than in the rapidly growing OECD states, so plant and equipment in the United States and the United Kingdom are relatively old and inefficient. Second, a high proportion of American and British governmental research and development expenditures go to the defense and space, rather than commercial, sectors (see table II).

Table II
Distribution of Government R&D Expenditures
1974 - 1975
(In Percent)

	Canada	France	Japan	West Germany	United Kingdom	United States	
National defense	8	30	2	11	47	51	
Space	4	6	5	4	2	13	
Energy	14	9	8	11	6	6	
Economic develop-							
ment	43	26	23	14	21	9	
Health	9	4	3	3	2	12	
Community Services Advancement of	12	2	3	6	1	5	
knowledge	10	24	55	51	20	4	051/4
Total	100	100	100	100	100	100	25X1

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Data on productivity and national origin of major innovations show that the United States still performs better than any of its OECD partners. Its lead is declining rapidly in productivity (see table III), but more slowly when one looks at major technological innovations (as defined by an international panel of experts—see table IV). The somewhat limited role of West Germany, France, and Japan in the introduction of major innovations, combined with their strengthening productivity performance, helps confirm both that they have invested more than the United States and the United Kingdom, and that they have devoted more effort to improved production and marketing of existing technologies than to costly technological breakthroughs.

Table III

Real Gross Domestic Product Per Employed Civilian
(Index, United States = 100)

	1960	1965	1970	1976
United States	100.0	100.0	100.0	100.0
France	55.0	61.3	71.4	82.6
West Germany	51.3	55.2	67.0	77.3
Japan	24.7	32.2	48.7	61.1
United Kingdom	49.9	48.2	52.6	55.5
Canada	86.6	85.6	88.6	90.6

The apparent slackening of the US effort in break-through technologies (at least in relationship to the new demand for such technologies) confronts the Japanese and West Europeans with the need to increase their own high-cost research and development efforts if long-run OECD economic growth and technological leadership are to be assured. Since that need conflicts with pressing

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short-term economic and political goals, it is questionable whether they will be willing to launch a major industrial innovation effort. Moreover, a large-scale, cost-saving OECD cooperative effort does not seem to be a likely alternative to national programs.

Table IV
Source of Major Technological Innovations

	1953	-1958	1959-1964		1959-1964 1965-1970		70 1971-1973	
	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per-	Num- ber	Per- cent
United States	100	78	90	67	82	55	47	59
United Kingdom	16	12	25	19	32	21	12	15
West Germany	7	5	5	4	14	9	7	9
Japan		0	10	7	16	11	8	10
France	6	5	4	3	5	3	6	8
Total	129	100	134	100	149	100	80	100

The Impact of Slow Growth

Current OECD political and economic conditions greatly restrict the amount of industrial and governmental capital available for research and development. Industrial profits are down as manufacturers try to maintain domestic and export markets in the face of rising production costs. Workers confronted by inflation and accustomed to a steady rise in living standards continue to push up unit wage costs. Slow growth has reduced government revenues, while simultaneously creating demand for such additional social welfare expenditures as increased unemployment benefits and industrial retraining programs.

In some cases, social demands not only compete with industrial innovation for public and private funds--they actively work against it. All Western governments are under strong domestic pressure to maintain employment levels and protect declining industries and regions. Labor-saving innovations (for example, in rail transport and printing) are either prevented from being applied or deprived of their impact by powerful labor unions. Laborintensive industries in which high-wage Western countries no longer have a comparative advantage (for example, textiles) are kept alive through politically inspired government subsidies -- thereby diverting both capital and labor from other, more economically productive activities. Governments also subsidize the location of industries in declining regions (for example, southwestern France and southern Italy) which may not be economically rational sites because of distance from markets, or because of the low skill and therefore productivity levels of the local working force.

Relatively slow growth certainly has much to do with the diversion of resources from--indeed, the use of resources actively to hinder--industrial innovation. For example, the protection of declining sectors and regions would be less necessary if there were full employment and other sectors and areas could absorb the populations concerned. Obviously, there is a vicious circle at work here: the absence of growth inspires anti-innovative policies, and those policies in turn hinder growth.

The Impact of Changing Values

Even without slow growth, social demands would probably have increasingly competed with demands for innovation and economic expansion. The values and organizations now characteristic of many Western industrial democracies may actually inhibit technological progress. Populations throughout the OECD area appear increasingly less willing to sacrifice present satisfaction for the sake of future prosperity. They want high wages and greater education, health, and social security benefits now. If they are stockholders, they want handsome dividend levels. Even with full employment, labor-saving innovations are politically difficult, and the protection of declining sectors and regions politically important, because the individual is believed

to have a right to the job and residence of his or her own choice. Labor can no longer be treated as a simple factor of production like capital, easily shifted from one use to another. Even if governmental leaders were willing to see labor so treated, or to resist the other social welfare demands with which they are confronted, their need to be reelected would probably prevent them from acting accordingly.

On the institutional level, trade unions representing single declining sectors, and therefore anti-innovative interests, wield considerable political influence in at least some Western societies. Professor Mancur Olson argues in a recent study of comparative growth that the rate of applied innovation (and, therefore, growth) in Western countries is directly correlated with trade union structure. Countries with relatively slow growth, like the United Kingdom, are characterized by powerful narrowly based unions. Those that have had high postwar growth (Japan, West Germany, France) have either weak unions or powerful widely based ones, whose breadth of coverage gives them a greater interest in the overall health of the economy than in the protection of any one sector.

Innovation in Japan, France, and West Germany

Although anti-innovative pressures are probably weaker in Japan, West Germany, and France than in the United Kingdom, they still exist there. Indeed, those three countries may not have powerful, narrowly based trade unions in part because their governments have worked to fulfill some of the demands that such groups would articulate. For example, they have extensively used subsidies to shore up declining industries, assist disadvantaged regions, and retrain superfluous workers. A significant proportion of government research and development funds appears to go to marginal firms and declining regions; some expenditures that might be classified as support for innovation should, therefore, more properly be considered as uneconomic subsidies. Layoffs are politically and socially extremely difficult in all three countries. Japan has long protected many of its firms from foreign competition, and France is increasingly interested in doing so.

Further research is necessary to define precisely the pressures for and against innovation in Japan, West Germany, and France. At this stage we can present only a hypothesis—that the climate for major industrial innovation in those three countries is probably not much more propitious than it is in the United States. As mentioned earlier, Japan, West Germany, and France were able to enjoy rapid postwar growth in part because they did not independently innovate on a major scale. Instead of devoting considerable sums to research and development that could pay off only in the long term, they were able to purchase the output of US research and development relatively cheaply—through licensing agreements, importation of the final product, implantation of a branch of the innovative firm, and similar means.

Cheap, rapid growth in turn created funds to fuel further growth and to satisfy the population's welfare demands. Now the ratio between social demands and economic resources in all three countries is considerably less favorable. That, combined with the apparent slackening of the American research and development effort, confronts Japan, West Germany, and France with some painful choices. If they do not devote more resources to high-risk industrial innovation, their rates of growth are likely to decline over the long term. If they do undertake a major research and development effort, the short-term economic (and therefore political) costs could be quite high. The British example shows that future generations have to pay socially and economically for the decision to satisfy immediate wants rather than reinvest for the future. In the absence of a severe crisis, however, decisions in favor of the long term when short-term needs are acute are extremely difficult in an electoral democracy.

The Possibility of OECD Cooperation

One possible solution might be the pooling of OECD technological innovation efforts. If research were carried on cooperatively, rather than competitively by several firms and nations, in theory the overall cost of any one innovation should decline. Such an approach has already been tried in Japan, where the government has sponsored cooperative industry-university research on very large scale integration (VLSI), which is designed

to allow Japan to compete in the next generation of computers. France and to a lesser extent West Germany have tended to distribute government research funds to one or a few leading firms rather than disperse them among several competitors. The states of the European Community have engaged in some cooperative research efforts, particularly in space and nuclear energy.

It is highly questionable whether the establishment of many such cooperative endeavors on the OECD level would be politically feasible. Individual governments and firms probably place too high a value on establishing national and company comparative advantage through technological advances for them to be willing to accept such a system.

Even if OECD-level industrial research and development cooperation was politically acceptable, it might not be economically productive. There is a widespread belief, particularly in the Anglo-Saxon countries and West Germany, that competition provides an essential impetus to efficient, effective work. That belief may tend to be confirmed by the French experience, where the government's support of some national champions in high technology industries has been criticized as encouraging and preserving waste and inefficiency. At least one of the firms involved in the Japanese VLSI project has reportedly decided not to participate in any future such endeavors; it believes that it could have better accomplished the project's goals by itself.

Such problems seem much more likely to develop with OECD than with national cooperative research and development efforts. Nevertheless, if the choice is between an inefficient OECD program and inadequate national efforts, an OECD experiment might seem more economically attractive.

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THE POLITICS OF INFCE*

The International Nuclear Fuel Cycle Evaluation (INFCE) represents one of the most ambitious and complex ventures undertaken in the field of international diplomacy. This two-year program, launched by a US initiative, seeks to construct a consensus among industrial and developing nations on the future role of nuclear energy. In this effort the Evaluation takes into account not only national economic requirements but also the global political objective of reducing, to the maximum extent possible, the dangers of nuclear weapons proliferation.

* * *

The Evaluation has stimulated awareness of the dangers inherent in the spread of advanced nuclear technology and of US policy objectives in this sensitive It has also identified the major obstacles to a new consensus on the future role of nuclear energy. it enters its second and final year, INFCE is beset by a fundamental dispute among the participating countries -indeed, it has been hampered from the start by the difficulty of reconciling US nonproliferation policy with the priority resource-poor nations attach to energy security. Many of the advanced industrial nations believe that a plutonium-based fuel cycle will reduce their dependence on external energy resources. Their desire to proceed with the "plutonium economy" despite its associated proliferation hazards has been amply demonstrated in the INFCE working groups. These nations, along with the LDCs, justify their resistance to US nonproliferation policy on the basis of:

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- -- Conservative estimates of the size of world uranium reserves, coupled with high projections of the need for nuclear power.
- -- Claims that the reprocessing of spent nuclear fuel and its recycling in power reactors offers an effective program for dealing with anticipated energy vulnerabilities.
- -- Assertions that the fast breeder reactor will eventually lead to a self-contained fuel cycle that will help eliminate the problems associated with energy dependence.

Efforts by the United States and other major uranium suppliers to formulate an effective alternative to the plutonium economy lack credibility in the eyes of energy-dependent nations. INFCE is unlikely to resolve this conflict because there are:

- -- Serious doubts about the United States as a reliable uranium supplier, reinforced by the 1978 Nuclear Non-Proliferation Act that requires the review and possible revision of supply contracts.
- -- Few, if any, political guarantees or technical fixes that will satisfy those nations with the greatest need for assured access to nuclear fuel.

Reservations about US nonproliferation policies have prompted the advanced industrial nations to conduct a damage limitation exercise in INFCE. Even in its most positive sense, the Evaluation for these nations represents primarily an opportunity to reaffirm their belief in the long-term benefits of the plutonium economy in the face of US criticism. The less developed nations, for their part, see INFCE as a chance once again to demand the unrestricted transfer of nuclear technology rather than as an opportunity to join the search for a more proliferation-resistant nuclear regime.

Representatives of the nearly 60 governments and international organizations participating in the Evaluation are scheduled to hold a plenary session in Vienna from 27 November to 1 December to review progress to date. Thus far, the working groups have assembled technical data that will serve as the basis for their formal reports, which are to be completed within the next six months.

The success of INFCE cannot, however, be measured only in terms of these technical studies or the final report that will probably be drafted from them. Indeed, INFCE has no formal binding authority on its participants. As a US initiative, it is only one part of Washington's broad policy to slow the pace of nuclear proliferation. Consequently, developments relating to nuclear energy and technology outside the Evaluation will have an impact on its outcome. For example, bilateral consultations between the United States and INFCE participants concerning the implementation of the 1978 Nuclear Non-Proliferation Act could have a decisive influence on the degree of cooperation exhibited during the concluding year of the Evaluation.

One factor that might overshadow the Evaluation is the second Non-Proliferation Treaty (NPT) review conference. The conference is scheduled to begin only three months after the Evaluation ends in February 1980. At a minimum, preparation for the review conference will preoccupy nuclear policymakers and experts from many developing countries that consider the conference a more effective political forum than the Evaluation in which to criticize supplier states attempting to curb the transfer of nuclear technology.

Shifting the focus of the debate to a new arena may make it easier to draft the final report. Nevertheless, compromises are more likely in peripheral areas than on issues that the energy-poor countries consider crucial to their national interests. Resolution of--rather than an effort to paper over--the disagreement between those who place the highest priority on nonproliferation and those who are preoccupied with energy security will, in the final analysis, probably depend on the perceptions by energy-poor nations of increased flexibility in US policy.

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NEGATIVE SECURITY ASSURANCES

A draft convention proposed by the USSR at the outset of the current UN General Assembly session has increased interest in negative security assurances-commitments not to use nuclear weapons against non-nuclear-weapons states (NNWS). The Soviet initiative stimulated both a Pakistani counterproposal and considerable debate in the Assembly's political commit-Agreement on an international convention is unlikely; neither proposal assuages Western concerns about nuclear proliferation and the West's ability to respond with nuclear weapons to a conventional attack in Europe. The subject will be discussed at future meetings of the Committee on Disarmament, however, and will receive added attention as the 1980 review conference for the Non-Proliferation Treaty (NPT) approaches.

* * *

The issue of security assurances to NNWS arose when the NPT was negotiated in 1968 and has been linked to the issue of nuclear proliferation ever since. Shortly after concluding the NPT, the United States, the Soviet Union, and the United Kingdom declared their intention to act in accordance with the UN Charter to counter any aggression or threat of aggression against a NNWS party to the NPT in which nuclear weapons were used. purpose was to obtain support from NNWS for the new The three powers also drafted a resolution-treaty. adopted in June 1968 as Security Council Resolution 255--that recognized these "positive" security assur-These combined measures received only limited approval from the less developed countries, with the most important LDCs that were then members of the Security Council (Algeria, Brazil, India, and Pakistan) abstaining on Resolution 255. They argued, among other things, that the nuclear powers should also provide "negative" security assurances, in which they would renounce the use or threat of use of nuclear weapons against NNWS.

Dissatisfaction with the pace of the nuclear disarmament negotiations required by Article VI of the NPT increased the support for negative security assurances. It was one of the more contentious subjects at this spring's Special Session on Disarmament (SSOD), where the United States, the USSR, and the United Kingdom each attempted to relieve pressure from the LDCs by forswearing, under certain circumstances, the use of nuclear weapons against NNWS. These statements did not satisfy the nonaligned group, which called for a blanket renunciation of the use of nuclear weapons against states that have no such weapons on their territories. final text, which was agreed to only after difficult negotiations, notes the unilateral declarations made by the nuclear powers and urges them to conclude "effective arrangements to assure the security of NNWS.

Recent Proposals

Attempting to capitalize on the strong sentiment that the nonaligned states displayed on this issue at the SSOD, the USSR proposed a draft convention on negative security assurances in early September. Under the terms of this draft, the protection against nuclear attack would extend to parties that "refuse to manufacture or acquire" nuclear weapons and do not have nuclear weapons "in their territory or anywhere under their jurisdiction or control." At the current General Assembly session the Soviets introduced a draft resolution that takes note of their proposed convention and requests the Committee on Disarmament in Geneva to begin negotiating such a treaty as soon as possible.

The introduction of these drafts has enabled the USSR to highlight the difference between its own formulation and those of the Western powers, which are more restrictive and hence less attractive to the nonaligned states. Unlike the West, the USSR does not require a binding commitment not to acquire nuclear weapons and does not exclude countries that are waging conventional war in league with a nuclear power. Incorporating the formulation into a convention also responds to the nonaligned preference for using binding legal instruments to commit the nuclear powers on arms control and security questions. In addition, the Soviet initiative dispels some of the uneasiness caused by Foreign Minister Gromyko's

address at the SSOD, in which he seemed to link security assurances to the conclusion of bilateral agreements between the USSR and individual NNWS.

Pakistan offered its own draft resolution and convention as a "compromise," which was intended to correct what Pakistan regarded as serious faults in the Soviet proposal and to broaden support for an international The Pakistani text employs a formula recomconvention. mended in a 1976 General Assembly resolution, extending protection to NNWS "not parties to the nuclear security arrangements of some nuclear-weapon powers." Unlike the Soviet convention, it does not require a renunciation of nuclear weapons by NNWS. It includes a further commitment by the nuclear powers to avoid the use of nuclear weapons and to achieve nuclear disarmament as soon as possible. Pakistan's draft resolution, like the USSR's, refers the matter to the Committee on Disarmament for further negotiation, but it also--as a sop to the West--requests the Security Council to take note of the unilateral declarations already made by the nuclear powers.

Western Views

Most Western governments believe that the nuclear powers could never agree on any single formulation for negative security assurances and that an attempt to negotiate a convention would, therefore, be fruitless. They also oppose the Soviet and Pakistani proposals for more specific reasons.

First, they believe that the absence of any binding commitment on NNWS not to acquire nuclear weapons would undermine nonproliferation efforts. They view the Pakistani text, which imposes no obligations on the NNWS at all, as being the more seriously flawed in this regard. Even the Soviet draft, however, does not specify how a NNWS would "refuse" to obtain nuclear weapons. The Western group prefers to limit assurances to states that are parties to the NPT or a similar international agreement, a requirement that the United States and the United Kingdom included in their unilateral declarations at the SSOD.

Second, the West European allies are concerned about retaining NATO's option to employ nuclear weapons against targets in Eastern Europe in response to a Soviet-led conventional invasion. The Soviet draft would prohibit such a response as long as Moscow's allies did not have nuclear weapons on their territories. Pakistan's proposal is also viewed as deficient because NATO's security problem would remain the same even if the Warsaw Pact were dissolved, an event that would extend protection under this proposal to the East European states since they would no longer be part of the "nuclear security arrangement" of a nuclear power. The West Europeans wish to withhold assurances—as the US and British declarations do—from a NNWS that is carrying out an attack either in alliance or in "association" with a nuclear power.

Nonaligned Views

Most nonaligned states support a convention on negative security assurances, although they realize that the Soviet formulation is tailored to fit Moscow's propaganda objectives and strategic requirements and is unacceptable to the West. Most of them share Pakistan's desire to bridge the gap between Eastern and Western positions and thereby keep the idea of a convention alive.

The nonaligned also have their own objections to the Soviet draft convention, the most serious of which concern the requirement that NNWS "refuse" to obtain nuclear weapons. A few nonaligned governments oppose this clause on the same grounds the West does—that it is vague and may damage nonproliferation efforts. Other states, however, oppose any requirement that the NNWS explicitly renounce weapons the major powers already have. They believe this would only worsen an imbalance of obligations that was created when the nuclear powers failed to follow the NPT with substantial reductions in their own arsenals. Some argue that NNWS would in effect be renouncing nuclear weapons by signing such a convention, and therefore no further obligations on them need be written into the document.

Article III of the Soviet draft convention, which entitles any party to request consultations if it suspects a violation of the treaty, is another possible

source of concern. The nonaligned may fear that the nuclear powers would interpret this as giving them added powers to review the military and nuclear energy activities of NNWS.

The nonaligned states, therefore, lean toward a formulation that is closer to Pakistan's proposal than to the USSR's. Not all of them, however, share the enthusiasm for negative security assurances. The most important exception is Pakistan's regional rival India, which contends that nuclear weapons are most likely to be used against another nuclear power and that the only acceptable approach to the problem is to prohibit their use altogether. The Indians have thus been pushing their own resolution, similar to one they introduced and then withdrew at the SSOD, that declares the use of nuclear weapons to be a violation of the UN Charter and a crime against humanity.*

Outlook

The Assembly will almost certainly adopt a resolution referring the issue of negative security assurances to the Committee on Disarmament. Recent discussions have centered on exactly what to request of the Committee and what role the Soviet and Pakistani draft conventions should play in this request. Pakistan and most of the nonaligned states prefer that the concept of a convention be approved before the question goes to Geneva, where any further decisions would be taken by consensus rather than majority vote. The Western group, although accepting referral to Geneva as inevitable, opposes any declaration in favor of a convention on the subject.

The nonaligned states are unlikely to use their voting strength to pass a resolution clearly unacceptable to the Western nuclear powers, whose cooperation would be essential to any negative security assurances. The current Assembly session will probably produce a resolution that notes the Soviet and Pakistani proposals but leaves it to the Committee on Disarmament to decide whether

^{*}China's position is similar to India's, although Peking criticizes the Soviet proposal more vehemently than does New Delhi. China has reiterated its no-first-use pledge and its call for complete dismantling of all nuclear arsenals.

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a convention should be negotiated. The Soviets have indicated their flexibility on details and would probably accept such an arrangement.

Negative security assurances will then be a principal topic in the Committee on Disarmament, which convenes in January for its first session after being restructured as a result of decisions reached at the SSOD. Debate over the issue will probably intensify as the 1980 NPT review conference approaches, with many NNWS using that event to highlight what they charge are unfair features of the nonproliferation regime. The approach of the review conference will probably also lead the nuclear powers to consider what further assurances they might offer to alleviate pressure from the NNWS on proliferation issues.

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THE NEW WORLD INFORMATION ORDER

During the past few years the developing nations have increasingly demanded that steps be taken to correct what they perceive as the industrialized nations' domination of the information sphere. LDC objectives have recently been codified in a document entitled "The New World Information Order" (NWIO). Last July the document was submitted by Tunisian Information Minister Masmoudi, the primary spokesman for the nonaligned movement on communications issues, to the Mc-Bride Commission, a group of communications experts funded by UNESCO. The concept of a NWIO was also recently discussed at the UNESCO General Conference in Paris, where the LDCs sought to obtain UNESCO support for it. The NWIO paper, or a resolution stemming from it, will probably be introduced to the UN General Assembly this year and will play a major role in LDC preparations for the World Administrative Radio Conference (WARC), which will be held next September in Geneva.

Although Masmoudi's NWIO paper is incomplete and occasionally contradictory, it is the first official LDC attempt to describe what is wrong with today's international communications system and to suggest what might be done to improve it. Despite its failure to pinpoint the necessary intermediary steps to establish an NWIO, its vivid description of LDC grievances could help enhance developed nation understanding of LDC concerns in this field. Masmoudi's role as primary spokesman on communications issues for the nonaligned movement--whose 86 members constitute a majority at international meetings -- and the publication, if not acceptance, of a formal set of demands for a New World Information Order, suggest that the questions surrounding the control of international information resources and flows are likely to become increasingly frequent, visible, and troublesome agenda items at future international meetings.

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Components of the NWIO

The concept of a "New World Information Order" (NWIO) has been mentioned intermittently by LDC spokesmen at a variety of meetings during the past few years, but it failed to receive much attention until the non-aligned movement formally endorsed it at the Colombo summit in 1976. As negotiations stagnated in the eyes of the nonaligned on LDC demands for a New International Economic Order (NIEO), they added the NWIO as a rallying cry for their diverse membership. They are now seeking to underpin their rhetorical demands for changes in the information sphere with a specific action plan to make these changes. Masmoudi's paper is the first attempt to outline these action proposals.

The paper centers on the issue of mass media but includes a discussion of a number of related subjects—communication satellites, radio frequencies, and telecommunications. The paper's main strength lies in its outline of the ideology that supports the NWIO concept and its depiction of perceived wrongs in the current situation. Remedial proposals are sketchy, however, and impractical because they fail to take adequate account of the interests of the developed world. A variety of remedies are prescribed for the existing imbalance in the information field, but there is no attempt to spell out how or by whom they should be implemented.

The paper alleges that the developed nations have a stranglehold on the political, legal, financial, and technical aspects of the communications field. Adding to the problem of a communications imbalance are differing views on the function of information. To Masmoudi, information is a "social good" that should be both a means of reaching individuals and a vehicle providing an objective link between nations. Consequently, his concept of the right to communicate includes the right to be informed as well as the right to inform (that is, the ability to correct erroneous reporting).

The current attitudes of the industrialized nations toward information are described as differing little from those of the colonial era, when the colonial powers exploited the LDCs to enhance their economic and political position. The developed world, the paper states,

still deals with information as merchandise to be sold to the LDCs, regardless of the possible damage it may cause to their social and cultural development.

To correct the current perceived imbalance, Masmoudi calls for a "universal act of awareness." He does not specify what this would involve, but he acknowledges that it would take time and involve joint action by both developed and developing nations. Masmoudi believes that international organizations should play a major role in redressing the perceived imbalance. Since industrialized nations have failed voluntarily to recognize their "obligation" to correct current distortions in information flows, the paper suggests a number of measures to force their acquiescence to LDC demands.

Mass Media

LDC criticism of mass media domination by developed nations centers on the multinational news organizations. They allegedly are responsible for 80 percent of the international news circulated through radio, television, and the press but allocate only 20 to 30 percent of their coverage to the LDCs, which include three-fourths of the world's population. The paper laments the LDC role as consumer instead of autonomous producer in this field and blames the developed nations' news agencies for distorted coverage of events in developing countries. By transmitting these biased views back to the LDCs, the industrialized nations have allegedly isolated them from each other and crippled their efforts to develop culturally and socially. Also cited is a need for news coverage of the achievements and aspirations of the Third World-not just the crises, strikes, street demonstrations, and coups.

The imbalance in current tariff rates for air transport of publications exports is another LDC grievance. The rates discriminate against developing countries by favoring publications with a large circulation—that is, those from the developed world.

The reforms necessary to implement the NWIO in the mass media area would, according to Masmoudi, involve primarily improving the LDCs' news capabilities and "reeducating" the news agencies of the developed world.

For a start, he would encourage regional and subregional information exchanges among the LDCs and the extension of financial and technical aid to the least developed nations. He would also consolidate and develop the non-aligned countries' media organizations, such as their news agencies' pool. To enforce a balanced flow of information in the developed nations, he strongly urges reserving more space for news about LDCs in newspapers, as well as in radio and television programs.

The paper states that the reeducation of journalists from both the developed and the developing nations,
which would take place at the university level, is
necessary to make them aware both of the existing imperfections in the current mass media system, and of
the values of the NIEO and the NWIO. The industrialized
nations' media professionals would be held responsible
for a more objective approach toward the concerns of
the LDCs, and they would be required to respect the
laws and values of the country where they work and
reflect them in their reporting.

To buttress the suggestions for improving the attitudes and performance of the developed nations' journalists, the paper proposes a legally binding international code of journalistic principles, including penalties on journalists for abusing the code.

Finally, Masmoudi proposes that a fund be set up to facilitate the exchange of newspapers between developed and developing nations. If a fund is not feasible, the minimum tariff on written material transported by air should be revised so that LDC publications with a smaller circulation are not so heavily taxed.

Radio Frequencies

The paper states that unequal distribution of radio frequencies is another reason for the inability of the developing nations' news agencies to compete with their counterparts from the developed countries in the communications field. It points out the urgent need for developing nations to contest the large portion of the spectrum that has been allocated to the developed nations and to secure a greater share for themselves.

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Telecommunications

The paper's criticism of the industrialized nations' advantage in telecommunications focuses on two areas: medium and tariff. It argues that for many former colonies the legacy of an antiquated communications infrastructure or obsolete equipment limits their communications capabilities and, in some cases, precludes them from communicating with other states without going through the capitals of their former colonial masters. For example, many African states can only contact a neighboring country telephonically through an operator in Paris. Telegraphic lines are also out of date.

Another significant LDC telecommunications disadvantage is the graduated tariff rate, which charges disproportionately more for low volume traffic. This strikes Masmoudi as unjust, as does the fact that communication is generally more expensive between two points within developing countries than between two points in the industrialized world. Furthermore, the same communication costs less when it travels from a developed to a developing country than in the opposite direction. Lastly, the Masmoudi paper points out that there is little chance for improvement where LDC telecommunications networks have been contracted to foreign companies, since the sole aim of these companies is profit, and as a result, they guide as much traffic as possible to their home nation.

To free the LDCs from the telecommunications patterns set up during the colonial period, the paper calls for the establishment of communications centers among developing nations and direct links between them wherever possible. The document also calls for a revision of the current structure of international tariffs and a reduction of communications rates for messages between developing nations. These measures would encourage the LDCs to run their own telecommunications networks instead of relying on foreign companies.

Communications Satellites

Two types of satellites are discussed in the NWIO paper: communications satellites, which are currently used to transmit television and radiobroadcasts between

nations, and direct broadcast satellites, which will eventually be used to beam directly into home television sets.

Because the developed nations' news agencies have a monopoly of communications satellites, according to Masmoudi, there is no room for outside competition in news production. This monopoly also prevents interaction among the Third World nations.

To end the alleged industrialized nation domination of communications satellites, the paper states that technical aid for the developing nations should be increased and diversified. The paper calls for the creation of a UN fund to enable developing nations to transmit their own radio and television programs. Another approach suggested is concluding an international agreement that would enforce "equal and fair" utilization of the satellites.

On the issue of direct broadcast satellites (DBS), the paper contends that the industrialized world intends to perpetuate its cultural and social domination of the LDCs by broadcasting directly into home receivers without prior consent. The LDCs regard this as a violation of national territory, and private homes and consciences. Moreover, they view the development of direct broadcast satellites as further evidence that the developed nations intend to maintain their domination of international communications.

Prospects for the NWIO

Mass Media

Most of the NWIO paper's proposals to improve the mass media situation have been introduced in draft declarations to UNESCO at one time or another. One mass media draft recently discussed at length at the UNESCO General Conference in Paris laid the groundwork for establishing a code of ethics for international journalists. Masmoudi introduced a resolution on an NWIO--also considered in Paris--that echoed a number of the suggestions contained in the NWIO document. He may introduce some version of the resolution at the UN General Assembly later this year.

Whatever the outcome of this year's initiatives, similar LDC demands to implement an NWIO will probably be raised again. The issues raised by the NWIO promise to become as durable as the economic proposals related to the NIEO.

Radio Frequencies

Masmoudi claims that the LDCs need to coordinate their positions at the World Administrative Radio Conference (WARC)—where radio frequencies for the next 20 years will be allocated—to enhance their chances of obtaining a greater share of the spectrum. The LDCs are likely to push for a larger share of the spectrum than their technological capabilities will enable them to use. The Nonaligned Broadcasting Organization has met several times to reach a joint position for WARC and recently presented their views at a special preparatory meeting in Geneva. Masmoudi has called for a UNESCO—funded conference of communications experts to discuss how WARC can contribute to the implementation of the NWIO.

Telecommunications

A UNESCO-sponsored Conference for Special Policies for Informatics (SPIN), which was held in Spain last September, provided a forum for the LDCs to air their needs in the fields of telecommunications and computers. No financial aid was pledged, although future conferences organized under UNESCO may deal with this problem. The UN Development Program (UNDP) has allocated financial aid for telecommunications projects under the auspices of the UN specialized agencies. This assistance has consisted primarily of communication support to development programs in fields such as agriculture and literacy.

Communications Satellites

The LDCs have expressed their desire for communications satellite aid at several multilateral meetings, and the nonaligned movement's communications organizations have stressed the acquisition of this technology as a top priority. Nonetheless, no formal declarations in a multilateral forum have included this kind of aid package for the developing nations. At the past few

WARC regional meetings the LDCs have demanded the allocation of frequencies that will ensure their ability to use communications satellites in the future. Further discussion will take place at the WARC next September.

Direct broadcast satellites have been a topic of discussion in the UN Committee on the Peaceful Uses of Outer Space. No final decision has been made on the extent to which these satellites should be controlled, since they will not be operational until some time during the 1980s.

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JAMAICAN SUMMIT: RESCHEDULED FOR DECEMBER

Jamaican Prime Minister Michael Manley's twice-postponed meeting of national leaders to discuss Third World perspectives on global economic problems is now scheduled to take place in Kingston on 28-29 December. According to a high-ranking official in Manley's office, six heads of government, including West German Chancellor Schmidt, Prime Ministers Trudeau of Canada, Nordli of Norway, and Fraser of Australia, as well as President Perez of Venezuela and Nigerian Head of State Obasanjo have accepted Manley's invitation. The Jamaicans have stressed the informal nature of the meeting, which will not have an official agenda or produce a final communique.

The two-day meeting is strategically timed for Manley to bolster his declining domestic position with a demonstration of his still considerable international political stature. Its impact on the North-South dialogue, however, will be limited by time constraints and the informal agenda, to which the participants will be addressing themselves without a formal commitment to negotiate. The summit comes between the November meetings in Geneva on an UNCTAD Common Fund for Commodities and the February ministerial meeting of the LDCs' caucus, the Group of 77, and the participants will be in a good position to assess the status of North-South relations. The leaders slated to attend the Kingston Summit view it as a politically and economically inexpensive opportunity to enhance their personal and national stature by presenting ideas for implementing the New International Economic Order (NIEO).

The summit does not enjoy unqualified support from the LDCs, some of whom are concerned that it might complicate international economic negotiations. The meeting could, however, provide an opportunity to

formulate convincing arguments in favor of NIEO proposals that leaders of industrial countries can use domestically to overcome legislative roadblocks. It will also offer a forum for the consideration of alternative approaches to the NIEO, such as the global commodity earnings stabilization plan, which the West Germans favor instead of a Common Fund or an Integrative Program for Commodities.

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Manley has organized the summit along lines compatible with his personal style as well as with major Jamaican foreign policy concerns, which are shaped in large part by the sharp downturn in the nation's economy. Jamaica has been hardhit by the rise in oil prices, and one major foreign policy goal is compensatory aid from OPEC countries. In addition, Jamaica is vitally concerned with stabilizing prices for its bauxite and sugar exports, which, together with tourism, account for 70 percent of its foreign exchange. The Jamaicans have accordingly put the emphasis in their suggested agenda on discussion of energy problems, resource transfers to developing countries, and stabilization of commodity prices and export earnings. Manley will almost certainly take advantage of the summit to bring his impressive personal diplomatic capabilities to bear on acquiring increased resource transfers.

Manley's summit does not enjoy broad international support. Some members of the Group of 77, especially the Latin American contingent, fear that the limited participation in the summit will increase the difficulty for the LDCs in coordinating a bloc position on future negotiating conferences. They apparently believe that the Jamaica meeting is incompatible with the LDC position—formulated at the 32nd UN General Assembly—that the dialogue on the NIEO should be carried on within the UN framework. Moreover, there is certain to be some resentment of Manley for using his considerable international prestige to convene for domestic purposes a meeting which might be detrimental to the interests of other developing countries.

Manley's Domestic Situation

Manley is planning the summit at a time when his popularity at home is at its lowest point since he came to power in 1972. His domestic problems stem largely from his failure to deal with economic problems. Although Jamaicans generally are still more prosperous than the people of most developing countries, they have been badly hurt by the country's sharp economic decline. Voter surveys suggest that Manley's party has steadily lost the wide margin of support with which it routed the opposition 18 months ago, and if present trends persist, it may well be defeated in the parliamentary elections that must be held by 1981.

Against this background, the summit will be a major political event in Jamaica, and it will probably help slow Manley's decline. In the past, Manley has been able to convert his successes in international forums into domestic political gain because Jamaicans have traditionally taken pride in efforts to project "little Jamaica" on the world stage.

Schmidt's Commitment

In the absence of such major figures as President Carter and Prime Minister Callaghan, West German Chancellor Helmut Schmidt will be a key participant in the summit. Schmidt appears to be personally committed to the meeting and has encouraged Manley in his plans, but he has insisted on an informal gathering rather than a formal summit conference. Schmidt, like Manley, is confident of his personal diplomatic capabilities and functions well in this sort of gathering.

There is an increasing West German official recognition of the need for a new dimension in negotiations on the NIEO. Some officials, including Schmidt, believe that an expanded and improved commodity earnings stabilization program like that of the European Community's Lome Convention, which ties the Community to some 50 LDCs in Africa, the Caribbean, and the Pacific, would move the negotiations into a more practical phase. Consequently, the West Germans have been promoting such an idea in the World Bank and in the OECD. Schmidt, on the other hand, will probably avoid discussions of bilateral resource transfers.

Nigeria

The participation of Nigeria, a member of OPEC and black Africa's main economic power and its self-styled economic spokesman, would be particularly significant. It is still not clear whether the Nigerians have decided to accept Manley's invitation, although the Jamaicans claim Head of State General Obasanjo will attend. Nigerian decision to attend would reflect concern that participation at the summit is necessary to confirm Nigeria's leadership status in the Group of 77. sent Nigerian Government, however, does not seem to ascribe as much importance to North-South issues as do many other influential developing countries. In addition, the Nigerians do not appear to be optimistic about the results of the meeting because of the absence of President Carter and several other important Western leaders.

The Nigerians, along with the Brazilians and other leaders of the Group of 77, reportedly think that the Jamaican effort to portray the summit as an important alternative forum for discussion of NIEO issues is a mistake. In their view, the summit will not have the political impact that Manley promises and could, because of its extremely limited participation, complicate or undercut existing formal international economic negotiations.

Venezuela

Venezuelan President Perez, who will leave office in March, takes a special interest in international economic policy and will probably use the summit as a forum to present his political views. Venezuelan foreign policy has been oriented toward building an image as a rich developing country that strongly supports the interests of poorer countries in international affairs. Manley and Perez have enjoyed an exceptionally good working relationship on NIEO matters, although Perez has privately criticized Manley's management of the Jamaican economy. Venezuela is the only OPEC supporter of Jamaican views on the issue of resource transfers from oil producers to other developing countries, and Venezuela has granted Jamaica a special rebate on the purchase of petroleum.

Outlook

The summit is a bold domestic political stroke for Manley. He undoubtedly hopes that it will boost his waning popularity. Growing numbers of domestic critics, however, already fault him for using his international stature to deflect criticism of his failures at home, and they will see the summit as a case in point. Any political gains accruing to Manley are likely to be temporary.



Daily Gleaner spoof of Manley

The international implications of the summit will be similarly limited. It is a virtual certainty that the two-day meeting will not have the energizing effect on implementing the NIEO that Manley predicts. On the other hand, it is unlikely that these informal discussions will complicate UN economic negotiations to the extent anticipated by LDC leaders. At most, within the limited time allotted to the meeting, the participants may be able to exchange ideas and increase their understanding of possible strategies for LDC economic development, including means—and reasons—for transferring

	resources from ficher to poorer countries, and ways of
	persuading the domestic constituencies of industrialized
	countries to support LDC economic development.
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